

Class Counsel will file their papers in support of final approval of the Settlements and their application for attorneys' fees and reimbursement of expenses, and for payments to the Class Representatives, by no later than _____, 2012. These papers will also be posted on the settlement website ([www._____.com]).

- Payments to Settlement Class Members

If the settlements are approved by the Court, then:

Class Members who (1) are parties to a Class Contract under which *at least* 28,500 total downloads of recordings were sold in the United States on Apple's iTunes Store from inception through December 31, 2010 and (2) submit a valid Claim Form, will receive their *pro rata* share of the Past Settlement Relief.² They will also receive the Additional Royalty for Sales after December 31, 2010.

Class Members who (1) are parties to a Class Contract under which *fewer than* 28,500 total downloads of recordings were sold in the United States on Apple's iTunes Store from inception through December 31, 2010 and (2) submit a valid Claim Form will receive a *per capita* share of the Past Settlement Relief.³ They are not eligible to receive the Additional Royalty unless they (x) have an aggregate total of at least \$18,000 of royalty earnings attributable to sales in the United States of any such recordings on Apple's iTunes Store within any two consecutive royalty accounting periods after January 1, 2011 and (y) thereafter notify SME or Arista in writing of their right to such Additional Royalty in the period within which such Class Member, under the terms of the applicable Class Contract, may object to royalty accountings for the later of such two consecutive royalty accounting periods. SME and Arista will owe such Additional Royalty starting with the next royalty period following the assertion of right.

PLEASE NOTE THAT Class Members must submit a valid Claim Form to receive any benefits under the settlements. If you are a Class Member and do not submit a valid Claim Form, you will not receive any benefits under the settlements, but you nevertheless will be bound to the terms of the settlement(s) by the judgment of the Court.

² The *pro rata* share will be a fraction, the numerator of which is the total revenue from permanent digital downloads of recordings attributable to the claimant's Class Contract(s) with respect to Sales in the U.S. through Apple's iTunes Store through December 31, 2010, less any such revenue attributable to any period before December 31, 2010 for which the claimant has provided SME or Arista with a release, and the denominator of which is the total revenue from permanent digital downloads of recordings attributable to all such claimants' Class Contracts from Sales in the U.S. on Apple's iTunes Store through December 31, 2010, less any such revenue attributable to any period before December 31, 2010 for which any such claimant has provided SME or Arista with a release.

³ The *per capita* share be a fraction, the numerator of which is one (1), and the denominator of which is the total number of Class Members who submit a valid Claim Form and who had fewer than 28,500 total downloads of recordings attributable to Class Contracts and sold in the United States by SME or BMG (n/k/a Arista) on Apple's iTunes Store from inception through December 31, 2010.

What Happens Next?

The Court will hold Settlement Hearings on _____ day, _____, 2012, at _____:_____.m. at the United States District Court, Southern District of New York, 500 Pearl Street, Courtroom 21D, New York, NY 10007-1312, to hear any objections and to consider whether to give final approval to the settlements. The Court will hear objections at the hearings from those who timely object to the settlements (see below). You may participate in a Settlement Hearing with or without an attorney, but if you choose to be represented by an attorney you must do so at your own expense. **YOU DO NOT HAVE TO APPEAR AT A HEARING TO RECEIVE THE BENEFITS OF A SETTLEMENT. YOU DO HAVE TO SUBMIT A CLAIM FORM TO RECEIVE THE BENEFITS OF A SETTLEMENT.**

What Are Your Options?

Participate in the Settlements. If you are a Class Member and wish to receive payment of the Past Settlement Relief, **you must mail a completed Claim Form postmarked on or before the later of _____, 2012 or 45 days from your receipt of contracts from SME or Arista pursuant to a timely request for copies of such contracts as provided for in the Claim Form.** A Claim Form is enclosed with this Notice. A Claim Form is also available at the settlement website at [www._____.com]. **This is the only deadline for Past Settlement Relief.**

As to each Class Contract, Claim Forms shall be valid only if submitted on behalf of all Class Members who are parties to such Class Contract.

Class Members who submit valid Claim Forms for the Past Settlement Relief and who are parties to a Class Contract under which at least 28,500 total downloads of recordings were sold in the United States on Apple's iTunes Store from inception through December 31, 2010 will automatically receive any Prospective Settlement Relief to which they are entitled.

Class Members who submit valid Claim Forms for the Past Settlement Relief and who are parties to a Class Contract under which fewer than 28,500 total downloads of recordings were sold in the United States on Apple's iTunes Store from inception through December 31, 2010 will **not** automatically be considered for any Prospective Settlement Relief to which they may become entitled based on their post-December 31, 2010 royalty earnings. If their post-December 31, 2010 royalty earnings would meet the threshold to qualify them to receive the Additional Royalty increase, they will need to assert their right to such Additional Royalty as described above.

Class Members who are parties to a Class Contract under which at least 28,500 total downloads of recordings were sold in the United States on Apple's iTunes Store from inception through December 31, 2010 who fail to submit a timely Claim Form to receive Past Settlement Relief may still submit a Claim Form by _____, 2014 to receive Prospective Settlement Relief. The Prospective

Settlement Relief for such eligible Class Members will only apply beginning with the royalty accounting period following submission of the Claim Form, so missing the deadline for Past Settlement Relief means missing the 3% Additional Royalty for the upcoming royalty accounting period.

If you are a Class Member and do not submit a valid Claim Form, then you will not share in any of the Past Settlement Relief or Prospective Settlement Relief but you nevertheless will be bound to the terms of the settlement(s) by the judgment of the Court.

- **Opt Out of the Settlement Classes.** You and the other parties to your Class Contract(s), if any, may exclude yourselves from the settlements. If you choose to exclude yourself, or “opt out,” please provide a written statement that includes: (1) your full name; (2) your address; (3) your telephone number; (4) the name of the artist (individual or band), producer or company seeking exclusion (if any different from your name); (5) the date(s) of the Class Contract(s) or any of its amendments and the royalty account number(s) from your royalty statement(s); (6) a sentence certifying that you are a Class Member; and (7) a statement that you “request to be excluded from the class settlements in the *SME Action* and the *BMG Action*.” You must personally sign your written “opt-out” statement and mail it postmarked by _____, 2012 to the following address:

SME and Arista Music Class Settlements
EXCLUSIONS
P.O. Box _____
City, ST ZIP

As to each Class Contract, Requests for Exclusion shall be valid only if submitted on behalf of all Class Members who are parties to such Class Contract.

If you meet the definition of a Class Member and you do not opt out, you will be bound to the terms of the settlement(s) by the judgment of the Court.

If you opt out, you will not get any settlement payment, you cannot object to the settlements, and you will not be bound to the terms of the settlement(s) by the judgment of the Court.

Defendants may withdraw from and terminate the Settlements if certain threshold levels of persons who would otherwise be Class Members timely and validly request exclusion from the Classes.

- **Object to the Settlements.** If you are a Class Member, you may remain a Class Member, but object to the terms of the settlements. You may object to all or any portion of a settlement at a Settlement Hearing, but you must first submit your objections in writing. All objections must include: (1) your name, address and telephone number; (2) the date(s) of the Class Contract(s) or any of its amendments and the royalty account number(s) from your royalty statement(s); (3) a sentence confirming, under penalty of perjury, that you believe you are a Class Member; (4) the factual basis and legal grounds

for your objection; (5) the identity of any witnesses whom you may call to testify at a Settlement Hearing; and (6) copies of any exhibits you intend to offer into evidence at a Settlement Hearing. To be considered, objections must be filed with the Court and mailed to the lawyers handling the case for each side postmarked no later than _____, 2012 at the following addresses:

| COURT | CLASS COUNSEL | DEFENSE COUNSEL |
|---|--|--|
| Clerk of the Court United States District Court for the Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007-1312 | Brian Caplan Caplan & Ross, LLP 270 Madison Avenue, 13 th Floor New York, NY 10016 | Jonathan M. Sperling Covington & Burling LLP The New York Times Building 620 Eighth Avenue New York, NY 10018-1405 |

You have the right to consult with your own attorney, at your own expense, before deciding how best to proceed.

What Claims Will Be Released By These Settlements?

If the settlements receive final approval from the Court, the settlements will be legally binding on all Class Members, including Class Members who object. If you, or someone acting on your behalf, are currently litigating claims against SME or Arista or the other Released Parties, you will be barred from pursuing the claims released by these settlements unless you validly “opt out” as described above. The full terms of the release, which will bind all Class Members as to certain claims against SME or Arista and the other Released Parties, are set forth in the Stipulations on file with the Court and available online at [www._____com]. In summary, Class Members will release claims that any past, present, or future Sales in the United States of permanent digital downloads or ringtones of sound recordings owned by SME or Arista (including its unincorporated divisions and business units) or its subsidiaries involve a lease or license of such sound recordings for purposes of calculating royalties or other payments to any Class Member, or that SME or Arista otherwise should calculate royalties on Sales in the United States of permanent digital downloads or ringtones of recordings attributable to Class Contracts under royalty provisions other than those that SME or Arista currently apply to such Sales; provided, however, that this release shall not in any way impair or restrict the rights to enforce the terms of the Settlement and is without prejudice to any other rights or audit rights not involving those claims. Except as expressly provided in connection with the Prospective Settlement Relief, nothing in this release shall be deemed to terminate, modify or cancel any provision of any Class Contract, each of which shall otherwise continue in full force and effect in accordance with its terms. *See* the Stipulations for the precise release language. If you are currently litigating claims against SME or Arista or the other Released Parties, speak to your lawyer in that matter immediately.

MORE INFORMATION IS AVAILABLE

This Notice is only a summary of the settlements and the Stipulations. If you have questions regarding the settlements, or would like to review a copy of the Stipulations, please visit the settlement website, [www._____com], contact Class Counsel, or write to:

SME and Arista Music Class Settlements
P.O. Box _____
City, ST ZIP

You may also review the Court's file during regular court hours at:

U.S. District Court, Southern District of New York
500 Pearl Street
New York, NY 10007-1312

PLEASE DO NOT TELEPHONE THE COURT, THE JUDGE, OR THE CLERK OF THE COURT.

By Order of the United States District Court, Southern District of New York

EXHIBIT A-2

CLAIM FORM

CLASS ACTION SETTLEMENTS

If you fail to return this Form, you may lose valuable rights under the Settlements.

You May Be Eligible for Increased iTunes Payments (or Other Permanent Digital Download or Ringtone Royalties) as Part of the Settlements of Class Action Lawsuits.

If you wish to participate in the settlement consideration, please complete, sign, and return this Form, postmarked by the later of _____, 2012, or 45 days after you receive a copy of your contracts in response to a timely request for them as detailed in 2 below, and mailed to [Mailing Address].

These Settlements apply to certain persons who have signed or who have rights under a contract with any record label that is now a part of Sony Music Entertainment or its subsidiaries. All such labels are referred to in shorthand on this Form as SME. If you receive royalty statements from SME, then you may be such a person. If you cannot locate a copy of your contract(s), SME will provide you a copy as detailed in 2 below.

1. Please identify the artist (individual or band), producer, or company that signed a recording contract with SME and on whose behalf you're responding.

Name: _____

2. DO YOU HAVE A COPY OF YOUR CONTRACT? Yes No

IF YOU DO NOT HAVE A COPY, PLEASE GO TO
[www._____.com] NO LATER THAN _____, 2012
TO REQUEST ONE.

**PLEASE LOOK THROUGH YOUR CONTRACT AND ANY AMENDMENTS TO IT TO
ANSWER THE FOLLOWING QUESTIONS:**

3. Is the original contract or *any of its amendments* dated after 1975? Yes No
4. Is the original contract dated after 2001? Yes No
5. Does the contract or any of its amendments specify that the record label will pay 50% of its receipts from any licenses or leases to third parties (such as a license for a compilation album), other than film or television licenses? Yes No

6. Does the contract or any of its amendments specify a royalty rate for digital downloads? Yes No
I Don't Know

7. Have you audited royalties paid under the contract since 2003? Yes No
I Don't Know

8. A. Are you the artist, the authorized representative of the artist, or the authorized representative of a company that signed a recording contract with SME? Yes No

B. Are you a successor-in-interest (e.g., the heir, estate, or assignee) to the artist or company that signed a recording contract with SME, or an authorized representative of a successor-in-interest to the artist or company that signed a recording contract with SME? Yes No

C. Are you a producer that signed a contract directly with SME, or an authorized representative of such a producer? *If you only receive a share of an artist's royalties under a letter of direction or a contract between you and an artist, check "No."* Yes No

D. Are you a successor-in-interest (e.g., the heir, estate, or assignee) to a producer that signed a contract directly with SME, or an authorized representative of such a successor? *If you only receive a share of an artist's royalties under a letter of direction or a contract between you and a producer or artist, check "No."*

If you are unsure about how to answer any question on this Form or have questions about your rights as a class Member under this Settlement, please contact Class Counsel:

Brian D. Caplan
Caplan & Ross, LLP
270 Madison Avenue, 13th Floor
New York, New York 10016
Telephone: (212) 973-2376
e-mail address: bcaplan@caplanross.com

Tom Cohen
Law Offices of Thomas A. Cohen
591 Redwood Highway, Suite 2320
Mill Valley, California 94941
Telephone: (415) 777-1997
e-mail address: tomcohen@ionix.net

I affirm under penalty of perjury that the foregoing information is true and correct to the best of my information and belief.

Date: _____

Signature

Printed Name

Mailing Address

Email Address

Phone Number

EXHIBIT A-3

SUMMARY NOTICE OF PROPOSED SETTLEMENTS OF CLASS ACTIONS

To all persons entitled to royalty payments for permanent digital downloads and ringtones under contracts currently held by CBS Records or Sony Music Entertainment (“SME”) or by Arista Music, formerly known as BMG Music (“Arista”):

If you are a party to certain recording contracts currently held by CBS Records, SME, or Arista, then you may be entitled to benefits under these class action settlements.

The United States District Court for the Southern District of New York authorized this Notice.

This is not a solicitation from a lawyer.

This is only a summary of the Notice. The Notice and the Claim Form are being mailed to all royalty account statement recipients. If you did not receive a copy of the Notice and the Claim Form, please visit [www._____com] or call toll-free 1-_____ to obtain copies.

Settlements are proposed for two class action lawsuits (*Shropshire v. Sony Music Entertainment*, 06 Civ. 3252 (GBD) (KNF) (the “SME Action”) and *Youngbloods v. BMG Music*, 07 Civ. 2394 (GBD) (KNF) (the “BMG Action”)) asserting breach of contract claims relating to royalty payments due to Class Members for digital download and ringtone compensation. SME and Arista deny all allegations of wrongdoing and have asserted many defenses. The settlements are not an admission of wrongdoing.

The proposed settlements (1) make \$7.95 million available to all Class Members in connection with sales in the U.S. of permanent digital downloads and ringtones through December 31, 2010 and (2) provide for an increase in the royalty rate for certain Class Members for such sales after January 1, 2011.

Who is Affected by these Class Actions?

You are a Class Member if you: (a) are a party to a Class Contract (defined below) and (b) did not provide SME or Arista with a release of claims relating to payment of royalties on downloads or ringtones covering the entire period from January 1, 2004 through December 31, 2010.

“Class Contract” means a contract dated between January 1, 1976 and December 31, 2001 (the “Class Period”) that (i) was entered into with CBS Records or SME or with BMG Music (now known as Arista), including their unincorporated divisions and business units, their United States subsidiaries as of July 2004, and any predecessor in interest to any of them; (ii) is currently held by SME or Arista, including their unincorporated divisions and business units and United States subsidiaries; (iii) contains a clause providing that SME or Arista will pay to such Class Member 50% of SME’s or Arista’s net receipts in respect of any Master Recording leased or licensed by SME or Arista to a third party (a “Net Receipts Provision”); (iv) does not contain a clause capping the amount to be paid under the Net Receipts Provision, such as a clause limiting payments under the Net Receipts Provision to the amount that would be paid under another royalty provision contained in the contract; (v) does not contain an express rate for digital exploitations other than a so-called “Audiophile” or “New Technology” provision; and (vi) was

not modified to include an express rate for digital exploitations or to make any change to the Net Receipts Provision.

To determine whether you are a Class Member, you should review your contract(s) and any amendments . **If you do not have your contract or any of its amendments, you may request a copy through the settlement website at [www._____ .com].**

What Can Class Members Get From the Proposed Settlements?

1. Past Settlement Relief. All Class Members who submit a valid Claim Form will get a share of \$7.95 million in settlement funds, allocated based on their permanent digital downloads sold in the U.S. on Apple's iTunes Store through December 31, 2010.

2. Prospective Settlement Relief. Certain Class Members who submit a valid Claim Form will get an additional 3% royalty for permanent digital downloads and ringtones sold in the U.S. after January 1, 2011.

How Do You Receive a Benefit?

Instructions on how to qualify and submit a Claim Form are available in the Notice and posted at the settlement website ([www._____ .com]) or by calling toll-free 1-____-____-____, or writing to SME and Arista Music Class Settlements, P.O. Box ___, City, ST ZIP.

What Are Your Other Options?

If you are a Class Member and you don't want to receive a payment as described above and you don't want to be legally bound by the settlements, you must exclude yourself by _____, 2012, or you won't be able to sue, or continue to sue, SME or Arista about the legal claims in these cases. If you exclude yourself, you can't receive a payment under these settlements. If you remain a Class Member, you may object to the settlements by _____, 2012. The Notice describes how to exclude yourself or object.

The Court will hold hearings in these cases on _____, 2012, to consider whether to approve the settlements. The Court will also consider Class Counsel's motion for attorneys' fees and expenses and for service awards to the Class Representatives. You may appear at the hearings, but you don't have to.

EXHIBIT B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

“THE YOUNGBLOODS” (Perry Miller p/k/a
Jesse Colin Young; Lowell Levinger; Jerry
Corbitt; Mina Bauer, the widow of Joe Bauer; and
manager Stuart Kutchins), ON BEHALF OF
ITSELF AND ALL OTHERS SIMILARLY
SITUATED,

Plaintiff,

vs.

BMG MUSIC,

Defendant.

x : 07 Civ. 2394 (GBD) (KNF)

: ECF CASE

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x

ORDER AND FINAL JUDGMENT

On the _____ day of _____, 2012, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Stipulation and Agreement of Settlement dated March 7, 2012 (the “Stipulation”) are fair, reasonable, and adequate for the settlement of all claims asserted by the Class against the Defendant in the Second Amended Complaint now pending in this Court under the above caption, including the release of the Defendant and the Released Parties, and should be approved; (2) whether judgment should be entered dismissing the Second Amended Complaint with prejudice and without costs in favor of the Defendant and as against all persons or entities who are members of the Class herein who have not requested exclusion therefrom; (3) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the members of the Class; and (4) whether and in what amount to award Class Counsel attorneys’ fees and reimbursement of expenses. The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing substantially in the form approved by the Court was

mailed to all Arista Music, formerly known as BMG Music (“Arista”) royalty recipients, at the respective addresses set forth in Arista’s records, and that a summary notice of the hearing substantially in the form approved by the Court was published in *Billboard* magazine pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the Settlement, the Plan of Allocation, and the award of attorneys’ fees and expenses requested; and all capitalized terms used herein having the meanings as set forth and defined in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Court has jurisdiction over the subject matter of the Action, Plaintiff, all Class Members, and Defendant.
2. The Court finds that the prerequisites for a class action under Federal Rules of Civil Procedure 23 (a) and (b)(3) for settlement purposes have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of the Class Representative are typical of the claims of the Class it seeks to represent; (d) the Class Representative and Class Counsel have and will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual members of the Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finally certifies this action as a class action for settlement purposes on behalf of all recording artists and producers who (a) are parties to a contract dated between January 1, 1976 and December 31, 2001 (the “Class Period”) that (i) was entered into with BMG Music (now known

as Arista Music), including its unincorporated divisions and business units, United States subsidiaries as of July 2004, and any predecessor in interest to any of them; (ii) is currently held by Arista, including its unincorporated divisions and business units and United States subsidiaries; (iii) contains a clause providing that Arista will pay to such Class Member 50% of Arista's net receipts in respect of any Master Recording leased or licensed by Arista to a third party (a "Net Receipts Provision"); (iv) does not contain a clause capping the amount to be paid under the Net Receipts Provision, such as a clause limiting payments under the Net Receipts Provision to the amount that would be paid under another royalty provision contained in the contract; (v) does not contain an express rate for digital exploitations other than a so-called "Audiophile" or "New Technology" provision; and (vi) was not modified to include an express rate for digital exploitations or to make any change to the Net Receipts Provision (a "Class Contract"); and (b) did not provide Arista with a release of claims relating to payment of royalties on downloads or ringtones covering the entire period from January 1, 2004 through December 31, 2010. Excluded from the Class are the Defendant and any person, trust, firm, corporation, or other entity affiliated with or related to the Defendant. **[Also excluded from the Class are the persons and/or entities who submitted Requests for Exclusion as listed on Exhibit 1 annexed hereto OR No timely and valid Requests for Exclusion from the Class were received.]**

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finally certifies Plaintiff The Youngbloods as Class Representative for settlement purposes.

5. Notice of the pendency of this Action as a class action and of the proposed Settlement was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the pendency of the action as a class action and of the